ANNUAL REPORT 2001/02

Manitoba

FILM & SOUND

THE MANITOBA FILM AND SOUND RECORDING DEVELOPMENT CORPORATION

2001/2002 ANNUAL REPORT

Letter of Transmittal
July 31, 2002

The Honourable Ron Lemieux
Minister of Culture, Heritage and Tourism
Room 118, Legislative Building
450 Broadway
Winnipeg, Manitoba
R3C 0V8

Dear Minister Lemieux,

In accordance with Section 16 of The Manitoba Film and Sound Recording Development Corporation Act, I have the honour to present the Annual Report of the Manitoba Film and Sound Recording Development Corporation for the fiscal year ended March 31, 2002.

Respectfully submitted,

Victor Dobchuk
Vice-Chair, Board of Directors

LA SOCIÉTÉ MANITOBAINE DE DÉVELOPPEMENT DE L'ENREGISTREMENT CINÉMATOGRAPHIQUE ET SONORE

RAPPORT ANNUEL 2001-2002

Lettre de transmission
le 31 juillet 2002

Monsieur Ron Lemieux
Ministre de la Culture, du Patrimoine
et du Tourisme
Palais législatif, bureau 118
450, Broadway
Winnipeg (Manitoba) R3C 0V8

Monsieur le Ministre,

Conformément à l'article 16 de la Loi sur la Société manitobaine de développement de l'enregistrement cinématographique et sonore, j'ai l'honneur de vous présenter le rapport annuel de la Société manitobaine de développement de l'enregistrement cinématographique et sonore pour l'exercice terminé le 31 mars 2002.

C'est avec respect, Monsieur le Ministre, que je vous soumets le présent document.

Le vice-président du Conseil d'administration,

Victor Dobchuk

MESSAGE FROM THE VICE-CHAIR AND CHIEF EXECUTIVE OFFICER

On behalf of the Manitoba Film and Sound Recording Development Corporation (MANITOBA FILM & SOUND) and the Board of Directors, we are pleased to present the Annual Report for the fiscal year ended March 31, 2002.

In the past twelve months, MANITOBA FILM & SOUND has contributed to unprecedented achievements in the film and sound recording industries in Manitoba. With the ongoing financial support of the Government of Manitoba, MANITOBA FILM & SOUND has continued to fulfill its mandate by investing in Manitoba's film and sound recording industries to ensure their growth and development.

This year, MANITOBA FILM & SOUND committed approximately $2.7 million to film and sound recording projects. The value of the entire motion picture industry in Manitoba including indigenous, co-production, and foreign activity, reached a record $59.7 million dollars.

However, the achievements of Manitoba's film and sound recording industries were not measured by financial statements alone. This year, Manitobans working in the film and sound industries received numerous honours and awards – here are just a few:

- Director Guy Maddin won a Genie Award for Best Live Action Short Drama for his film *Heart of the World*
- Buffalo Gal Pictures received numerous Genie nominations for the Manitoba produced films *Desire* and *The Law of Enclosures*, with Brendan Fletcher winning a Genie Award for Best Performance by an Actor in a Leading Role for *The Law of Enclosures*
- Frantic Films, producers of the successful documentary series *Quest for the Bay* and special effects creators for the feature film *Swordfish*, were recognized as one of the *Fifty Fastest-Growing Companies* by Manitoba Business Magazine
- Manitobans received international recognition at the 26th annual Toronto International Film Festival this year, when Director/Writer Sean Garrity was awarded the Best First Feature prize for the MANITOBA FILM & SOUND funded feature film *Inertia* (produced by Brendon Sawatzky) and Director deco dawson's short film, *FILM(dzama)* was awarded the Best Canadian Short Film prize
- Animator Cordell Barker received his second Academy Award nomination, this time for his animated short film *Strange Invaders*
- Sound recording artists McMaster and James were awarded a gold record commemorating the sale of over 50,000 records for their self-titled album
- Manitoba musicians, managers, producers and recording studios took home a total of 15 awards at the 3rd Annual Prairie Music Awards in Edmonton
- Billy Joe Green received three nominations and won an Aboriginal Music Award for Best Male Artist for *My Ojibwe Experience, Strength and Hope* at the Aboriginal Music Awards
- Doc Walker's single *She Hasn't Always Been This Way*, off the MANITOBA FILM & SOUND funded album *Curve*, reached the top ten on country music radio stations across Canada and the music video reached number two on the CMT (Country Music Television) countdown.

These achievements demonstrate the creative diversity and extraordinary talents of Manitoba's producers, writers, directors, musicians and craftspeople.

As Manitoba's film and sound recording industries grow and change, new needs emerge and MANITOBA FILM & SOUND in turn must respond with appropriate programming to help these industries develop further. Therefore, the staff, Board of Directors and industry stakeholders participated in a two day Strategic Planning Session, in which two strategic directions were identified as areas for action: to enhance greater participation of the sound and film industries in the growth and development of their own sector; and secondly, to build greater public and government awareness of these cultural industries and consequently garner greater support.

Working closely with the film and sound recording associations, MANITOBA FILM & SOUND began to develop and jointly administer the *Access to Markets* Programs to further develop skills and promote the talents and entertainment product of Manitoba creators in international markets.

Continuing with MANITOBA FILM & SOUND's already successful marketing initiatives, we participated in several industry awareness and marketing opportunities this year:

- Together with BC Film, Alberta Community Development and SaskFilm, we continued our second year in the CANADA WEST partnership and entered the international market place with a presence at film and television markets such as MIPCOM, MIPTV and NATPE
- Along with several representatives of Manitoba's film and television community, we participated in MMPIA's second international exchange and traveled to Los Angeles to meet with industry producers and decision makers
- Manitoban musicians participated in and performed at numerous conference and showcase events across North America, including: the Ontario Council of Folk Festivals, NXNE, SXSW, New Music West and Folk Alliance

We would like to take this opportunity to acknowledge the support of MANITOBA FILM & SOUND's Board of Directors, whose contributions have been vital to our success. As well, thank you to our departing Chairperson, Cheryl Barker, whose extraordinary guidance and proficiency were instrumental to our success over the past few years. Finally, sincere thanks to all those who work in the film and sound recording industries. Because of your vision, creativity and hard work, the cultural industries continue to grow and succeed in Manitoba.

As MANITOBA FILM & SOUND approaches its 15th year anniversary, we look forward to continuing to fulfill our mandate to nurture, develop, promote and market Manitoba's film and sound recording artists and industries at home and to the world.

Carole Vivier
Chief Executive Officer
General Manager

Victor Dobchuk
Vice-Chair

103-00429/

Au nom de la Société manitobaine de développement de l'enregistrement cinématographique et sonore (ci-après désignée la Société) et de son conseil d'administration, nous sommes heureux de présenter le rapport annuel de la Société pour l'exercice terminé le 31 mars 2002.

Au cours des 12 derniers mois, la Société a contribué à des réalisations sans précédent des industries cinématographique et de l'enregistrement sonore au Manitoba. Grâce à l'aide financière continue du gouvernement du Manitoba, la Société a continué d'exercer son mandat en investissant dans les industries cinématographique et de l'enregistrement sonore dans le but d'assurer leur croissance et leur avancement.

Au cours de cet exercice, la Société a engagé approximativement 2,7 millions de dollars dans des projets d'enregistrement cinématographique et sonore. La valeur totale de l'industrie cinématographique au Manitoba, y compris les productions manitobaines, les coproductions et les productions étrangères, a atteint le chiffre record de 59,7 millions de dollars.

Les chiffres seuls, cependant, ne suffisent pas pour mesurer le succès des industries cinématographique et de l'enregistrement sonore du Manitoba. Au cours de cet exercice, les Manitobains œuvrant dans ces industries ont remporté plusieurs récompenses et prix. Mentionnons entre autres :

- le réalisateur Guy Maddin, dont le film *Heart of the World* a remporté le prix Génie du Meilleur court métrage dramatique
- la maison de production Buffalo Gal Pictures, dont les longs métrages produits au Manitoba *Desire* et *The Law of Enclosures* ont reçu plusieurs nominations aux prix Génie. Brendan Fletcher a gagné le prix Génie de la Meilleure interprétation masculine dans un premier rôle dans le film *The Law of Enclosures*
- la maison de production Frantic Films, qui a produit la série documentaire à succès Quest for the Bay et créé les effets spéciaux pour le long métrage *Swordfish*, a été reconnue comme l'une des « 50 sociétés les plus prospères » par la publication *Manitoba Business Magazine*
- les Manitobains se sont fait connaître à l'échelle mondiale cette année lors de la 26e édition annuelle du Toronto International Film Festival, alors que le réalisateur et scénariste Sean Garrity obtenait le prix du Meilleur premier long métrage pour son film *Inertia* (produit par Brendon Sawatzky), et que le réalisateur deco dawson recevait le prix du Meilleur court métrage canadien pour *FILM (dzama)*
- l'animateur Cordell Barker a remporté une deuxième nomination aux Academy Awards, cette fois pour son court métrage d'animation *Strange Invaders (Tombé du ciel)*
- les chanteurs McMaster and James ont reçu un Disque d'or pour marquer la vente à plus de 50 000 exemplaires de leur album éponyme
- les musiciens, les imprésarios, les producteurs et les studios d'enregistrement du Manitoba ont remporté au total 15 prix lors de la 3e édition annuelle des Prairie Music Awards à Edmonton
- Billy Joe Green a reçu trois mises en nomination et il a remporté le prix du Meilleur artiste masculin pour *My Ojibwe Experience, Strength and Hope* aux Aboriginal Music Awards
- la chanson de Doc Walker *She Hasn't Always Been This Way* sur l'album *Curve* financé par la Société, a figuré au palmarès des dix meilleures chansons sur les ondes des stations radio de musique country et le vidéoclip s'est retrouvé en deuxième position au palmarès CMT (Country Music Television)

Ces réalisations mettent bien en évidence la diversité créatrice et les talents exceptionnels des producteurs, auteurs et scénaristes, réalisateurs, musiciens et autres gens de métier du Manitoba.

Avec l'évolution des industries cinématographique et de l'enregistrement sonore du Manitoba naissent de nouveaux besoins auxquels la Société doit, à son tour, répondre en instituant des programmes appropriés visant à favoriser plus encore le développement de ces industries. À cette fin, le personnel et le conseil d'administration de la Société, ainsi que des intervenants de l'industrie, ont assisté à un atelier de planification stratégique de deux jours, au cours duquel furent déterminées deux orientations stratégiques nécessitant un plan d'action : en premier lieu, favoriser la participation accrue des industries cinématographique et de l'enregistrement sonore aux activités visant la croissance et le développement de leur propre secteur; et en second lieu, mieux faire connaître ces industries culturelles au public et au gouvernement, de façon à recueillir un soutien plus important de leur part.

En collaboration étroite avec les associations œuvrant dans le domaine de la cinématographie et de l'enregistrement sonore, la Société a conçu et coadministre des programmes « d'accès aux marchés » visant à développer les compétences et à promouvoir à l'échelle internationale le talent et les produits des artistes du spectacle manitobain.

Sur la foulée de ses initiatives de commercialisation déjà réussies, la Société a participé cette année à plusieurs événements visant à faire connaître et à commercialiser les industries cinématographique et de l'enregistrement sonore.

- De concert avec BC Film, Alberta Community Development et SaskFilm, nous continuons notre participation au partenariat WEST pour la deuxième année, et avons abordé la scène internationale par notre présence à divers marchés des films et des programmes de télévision comme MIPCOM, MIP-TV et NATPE
- Avec plusieurs représentants de la communauté manitobaine des films et des programmes de télévision, nous avons pris part au deuxième échange international de MMPIA et sommes allés à Los Angeles pour rencontrer des producteurs et des preneurs de décisions de cette industrie.
- Des musiciens manitobains ont donné des représentations lors de plusieurs conférences et festivals de la chanson en Amérique du Nord, dont les suivants : Ontario Council of Folk Festivals, NXNE, SXSW, New Music West et Folk Alliance.

Nous aimerions profiter de cette occasion pour remercier le conseil d'administration de la Société de son soutien. Sa contribution a été essentielle à notre succès. Nous voulons également remercier la présidente sortante du conseil, Mme Cheryl Barker. Sa direction compétente au cours des quelques dernières années a été déterminante dans notre succès. En dernier lieu, nous voulons adresser nos remerciements les plus sincères à toutes les personnes qui œuvrent dans les industries cinématographique et de l'enregistrement sonore. C'est grâce à votre vision, à votre créativité et à votre travail assidu que les industries culturelles continuent à se développer et à prospérer au Manitoba.

À la veille du 15e anniversaire de la Société, nous avons réjouissons à l'idée de continuer à exercer notre mandat de favoriser, de promouvoir et de faire connaître les artistes et les industries cinématographique et de l'enregistrement sonore du Manitoba et d'en assurer l'épanouissement, tant à l'échelle locale qu'internationale.

La présidente-directrice générale,

Carole Vivier

Le vice-président,

Victor Dobchuk

THE CORPORATION

Manitoba Film and Sound Recording Development Corporation (MANITOBA FILM & SOUND) is a statutory corporation of government proclaimed under *The Manitoba Film and Sound Recording Development Corporation Act*. Funded by the Province of Manitoba, MANITOBA FILM & SOUND management reports directly to a nine-member Board of Directors appointed by the Lieutenant Governor.

MANITOBA FILM & SOUND's mission is to promote Manitoba's film and sound recording artists and industries at home and to the world, by:

Developing new talent, industry-skills,
Nurturing the new and existing talent, to higher levels, and
Communicating and marketing to people at home and throughout the world the talent and skill-levels that are here in Manitoba.

BOARD OF DIRECTORS

The activities of MANITOBA FILM & SOUND are monitored by the Board of Directors that includes:

Cheryl Barker – Chair (to December 2001)
Victor Dobchuk – Vice-Chair
Heather Bishop
David Dandeneau
Léo Dufault
Shereen Jerrett
Tom Kormylo
Gerry McIvor
Dale Severyn

MANITOBA FILM & SOUND at FilmExchange
Tom Kormylo (Board of Directors)
Carole Vivier (CEO)
Alexa Rosentreter
(Manager, Film Programs)
Pamela Hoeschen
(Communications & Corporate Affairs Coordinator)
Léo Dufault (Board of Directors)

LA SOCIETE

La Société manitobaine de développement de l'enregistrement cinématographique et sonore (ci-après désignée « la Société ») est une société constituée en vertu de la Loi sur la Société manitobaine de développement de l'enregistrement cinématographique et sonore. Financée par le gouvernement du Manitoba, la direction de la **Société** relève directement du conseil d'administration de neuf membres nommés par le lieutenant-gouverneur.

La mission de la Société est de promouvoir les industries cinématographiques et de l'enregistrement du Manitoba et ses artistes, tant à l'échelle locale que mondiale:

en favorisant l'émergence de nouveaux talents et de compétences liées à l'industrie;
en assurant l'épanouissement de nouveaux talents
et de talents existants à des niveaux plus élevés;
en faisant connaître et en commercialisant les talents et les compétences
qui existent au Manitoba à l'échelle locale et internationale.

CONSEIL D'ADMINISTRATION

Les activités de la Société sont supervisées par le conseil d'administration qui se compose actuellement des personnes suivantes:

Cheryl Barker – Présidente (jusqu'en décembre 2001)
Victor Dobchuk – Vice-président
Heather Bishop
David Dandeneau
Léo Dufault
Shereen Jerrett
Tom Kormylo
Gerry McIvor
Dale Severyn

The Corporation is administered by the Chief Executive Officer and General Manager, who reports directly to the Board of Directors.

STAFF

Carole Vivier	Chief Executive Officer and General Manager (began one year leave of absence as of March 4, 2002)
Alexa Rosentreter	Manager, Film Programs (to March 3, 2002) Interim General Manager (as of March 4, 2002)
Kevin Walters	Manager, Sound Recording Programs
Eleanore Schlamb	Manager, Finance & Administration
Monique Ledohowski	Manager, Systems & Operations
Angie Glesby	Film Programs Administrator (as of March 5, 2002)
Danielle Jubinville	Locations Coordinator (to August 31, 2001) Programs Analyst (as of September 1, 2001)
Pamela Hoeschen	Administrative Assistant (to July 31, 2001) Communications & Corporate Affairs Coordinator (as of August 1, 2001)
Alex Archbold	Locations Coordinator (as of November 2001) Manager, Locations (as of February 25, 2002)

La Société est dirigée par la présidente-directrice générale qui relève directement du conseil d'administration.

MEMBRES DU PERSONNEL

Carole Vivier	Présidente-directrice générale (a commencé un congé autorisé d'un an le 4 mars 2002)
Alexa Rosentreter	Directrice, programmes cinématographiques (jusqu'au 3 mars 2002) Directrice générale par intérim (à partir du 4 mars 2002)
Kevin Walters	Directeur, programmes d'enregistrement sonore
Eleanore Schlamb	Directrice, finance et administration
Monique Ledohowski	Directrice, systèmes et opérctions
Angie Glesby	Administratrice des programmes cinématographiques (à partir du 5 mars 2002)
Danielle Jubinville	Coordonnatrice des lieux de tournage (jusqu'au 31 août 2001) Analyste de programmes (à partir du 1er septembre 2001)
Pamela Hoeschen	Adjointe administrative (jusqu'au 31 juillet 2001) Coordonnatrice des communications et des affaires générales (à partir du 1er août 2001)
Alex Archbold	Coordonnateur des lieux de tournage (à partir de novembre 2001) Directeur, lieux de tournage (à partir du 25 février 2002)

NSI's FilmExchange
Curling at the
Men With Brooms premier

Terry Braunstein
Robert Enright (CBC)
Peter Outerbridge
(Cast of Men With Brooms)
Carole Vivier
(MANITOBA FILM & SOUND)

MANITOBA FILM & SOUND objectives are to create and stimulate employment and investment in Manitoba by developing and promoting Manitoba companies producing, distributing, and marketing film, television, video and sound recording products, as well as to promote Manitoba and the city of Winnipeg as a film location to offshore production companies. MANITOBA FILM & SOUND is a member of the Association of Film Commissions International (AFCI).

MANITOBA FILM & SOUND views economic considerations as critical to fulfilling its cultural mandate.

To achieve the Corporation's objectives, MANITOBA FILM & SOUND consults and works closely with industry associations and representatives, including: the Manitoba Motion Picture Industry Association, the Manitoba Audio Recording Industry Association, the Winnipeg Film Group and Film Training Manitoba.

The following is an overview of some of MANITOBA FILM & SOUND's initiatives during the 2002 fiscal year:

STRATEGIC PLANNING SESSION

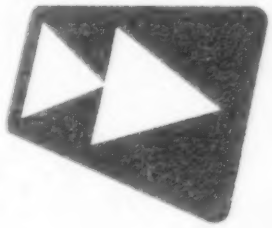
In June of 2001, MANITOBA FILM & SOUND staff and the Board of Directors met with representatives from the film, sound and new media industries and Government for a Strategic Planning Session. At the end of the two-day session, two strategic directions were identified as areas for action: to enhance greater participation of the sound and film industries in the growth and development of their own sector; and secondly, to build greater public and government awareness of these cultural industries and consequently garner greater support.

The session was an opportunity to reflect and further develop the existing strategic plan, which was developed at the 1999 session. Following the Strategic Planning Session held in 1999, the Manitoba Motion Picture Industry Association (MMPIA) and the Manitoba Audio Recording Industry Association (MARIA) submitted a joint marketing and business development proposal to Western Economic Diversification (WD).

In July of 2001, the two industry associations received funding from the Canada/Manitoba Economic Development Partnership Agreement for the further marketing and business development of the film and sound industries over a three year period. Working closely with MANITOBA FILM & SOUND, MMPIA and MARIA developed the Manitoba Music & Motion Picture Development Project (M3P). The Corporation and the two industry associations worked together to develop the film Access to Markets and the sound Market Access Programs, which are administered through the Manitoba Music & Motion Picture Development Project (M3P) with indirect program assistance from MANITOBA FILM & SOUND.

La SOCIÉTÉ MANITOBAINE DE DÉVELOPPEMENT DE L'ENREGISTREMENT CINÉMATOGRAPHIQUE ET SONORE a pour objectif de créer des emplois et de susciter l'investissement au Manitoba, en contribuant au développement et à la promotion des entreprises cinématographiques du Manitoba qui réalisent, distribuent et commercialisent des films, des émissions de télévision, des bandes vidéo et des enregistrements sonores. Elle a aussi pour objectif de promouvoir, auprès de compagnies de production cinématographique étrangères, la province du Manitoba et la ville de Winnipeg en tant que sites de tournage de films. La SOCIÉTÉ MANITOBAINE DE DÉVELOPPEMENT DE L'ENREGISTREMENT CINÉMATOGRAPHIQUE ET SONORE est un membre de l'Association of Film Commissions International (AFCI).

La SOCIÉTÉ MANITOBAINE DE DÉVELOPPEMENT DE L'ENREGISTREMENT CINÉMATOGRAPHIQUE ET SONORE, estime qu'il est essentiel de tenir compte des facteurs économiques dans l'accomplissement de son mandat culturel.



MANITOBA MUSIC & MOTION PICTURES DEVELOPMENT PROJECT

The film M3P Access to Markets Program supports the market development activities of established Manitoba film and television producers to attend national and international markets, co-production conferences, exchanges, immersions and selected film festivals. This year, producers traveled to national and international markets with the support of the Access to Markets program. Markets included: the Banff Television Festival, MIPCOM, MIPTV, NATPE, the North Meets South Co-Production Mission to New Zealand and Australia and the Manitoba International Los Angeles Exchange 2002. MANITOBA FILM & SOUND's Professional Development funding has been redirected to support the Access to Markets Program.

The sound M3P Market Access Program was developed to support the market development of the sound industry, as an extension of the MANITOBA FILM & SOUND Professional Development Fund. Our funds have been redirected to support the sound Market Access Program.

CANADA WEST

Canada West brings together the four western provincial funding agencies: MANITOBA FILM & SOUND, British Columbia Film, Alberta Community Development and Saskfilm. The objective of Canada West is to develop and implement an economic export marketing strategy, through which Western Canadian producers and provincial funding agencies can obtain increased access to the global marketplace. Canada West joins in partnership under the Canadian umbrella at international markets, together with: Telefilm Canada, the Atlantic Canada Film Partners, the Canadian Film and Television Production Association (CFTPA) and the Department of Foreign Affairs and International Trade (DFAIT).

The members of the Canada West initiative, now in its second year, participated in and sponsored several international markets this year, including: the International Film and Program Market for Television, Video, Cable and Satellite (MIPCOM), the International Television Program Market (MIP-TV) and the National Association of Television Program Executives (NATPE).

DATA BASE DEVELOPMENT

Continuing to identify the need for technological advancements and changes, MANITOBA FILM & SOUND implemented a comprehensive Dbase program. Phase I of the Dbase utilizes a user-friendly interface and allows for the monitoring of projects and tracking of statistical data and reporting. With the The Dbase program MANITOBA FILM & SOUND has the ability to track a project's development from the initial application stage through to a project's completion and revenue monitoring. Pre-defined reports are automatically updated as projects are modified or data added, including the ability to run manual queries, if and when needed.

Future phases of the MANITOBA FILM & SOUND Dbase program will include the streamlining of contract and template data entry, and the automatic population of information into the Dbase from on-line application form submissions.

NEW MEDIA

MANITOBA FILM & SOUND realizes the importance of recognizing and understanding new trends and technologies, such as advancements in the new media industry. For the second year, MANITOBA FILM & SOUND participated in the Baddeck International New Media Festival. The festival brings creators, buyers and sellers of new media content together to partake in panel discussions, workshops, pitch sessions and exhibits.

Furthermore, MANITOBA FILM & SOUND and representatives from various industries who share a common interest in New Media developed a New Media Working Group. The group was formed to discuss the needs of interactive digital content creators in Manitoba.

Canada Partners at MIPCOM 2001
Sonya Thissen (DFAIT)
Susanne Bell (SaskFilm)
Liz Shorten (BC Film)
Lise Corriveau (Telefilm)
Tracey Doyle (CFTPA)
Alexa Rosentreter
(MANITOBA FILM & SOUND)

COMMUNITY OUT-REACH INITIATIVES

As part of MANITOBA FILM & SOUND's mission to communicate and market our programs, the Corporation participated in various community outreach initiatives within Manitoba. Initiatives included the Brandon Rural Trade Forum, with the objective to create awareness of the film and sound industry in rural areas of the province. Furthermore, the Corporation participated in the Rotary Club Career Symposium to educate youth and others about employment opportunities in the film and sound industries.

MANITOBA FILM & SOUND also hosted a general information session in December for people interested in the film and sound industries. The open forum provided an opportunity to have an open discussion regarding current programs, new programs and changes to existing programs administered by the Corporation.

Canada at Cannes 2001
Valerie Creighton (SaskFilm)
Carole Vivier
(MANITOBA FILM & SOUND)
Rob Egan (BC Film)
Sonya Thissen (DFAIT)

MANITOBA INTERNATIONAL: LOS ANGELES EXCHANGE 2002

Following the success of the *Manitoba International* mission to the United Kingdom/Republic of Ireland in April 2000, *MediaXChange* and the Manitoba Motion Picture Industry Association organized a second mission to Los Angeles. This year, representatives from the Manitoba production community participated in the Manitoba International: Los Angeles Exchange 2002. The focus of the one-week mission was US factual, leisure programming and television series productions. Representatives participated in informative group meetings with broadcasters, independent producers, agents and studio executives. In addition, European broadcasters and producers joined Manitoba participants on the weeklong mission. To add to the excitement of the mission, a reception was held at the residence of Colin Robertson, the Canadian Consulate General of Los Angeles. The reception was co-hosted by Colin Robertson, his wife Maureen Boyd and The Honourable Premier Doer.

The Manitoba consortium taking part in the Manitoba International: Los Angeles Exchange 2002 included: MANITOBA FILM & SOUND's Carole Vivier and Alexa Rosentreter, Tara Walker of the Manitoba Motion Picture Industry Association, Phyllis Laing and Shawn Watson of Buffalo Gal Pictures, Jamie Brown of Frantic Films, Vonnie Von Helmolt of Von Helmolt Productions, Merit Jensen Carr of Merit Motion Pictures and Jeremy Torrie of High Definition Pictures.

As identified in the MANITOBA FILM & SOUND Strategic Plan and the M3P Access to Markets program, the mission supports the international marketing strategy to develop co-production opportunities and enhance Manitoba's profile.

TEAM CANADA WEST TRADE MISSION

MANITOBA FILM & SOUND participated in the Los Angeles portion of the Team Canada West Trade Mission to Dallas and Los Angeles in November, led by Prime Minister Jean Chrétien and joined by the Western Provincial Premiers, and Territorial Government Leaders. The purpose of the Team Canada West Trade Mission was to create opportunities to network and increase prospects for joint business between Canadian and American contacts.

Representatives from over 60 companies from all sectors of the Western Canada economy participated in the mission, including MANITOBA FILM & SOUND's Carole Vivier. The trade mission included a Culture and Entertainment panel discussion moderated by Ms. Roz Wolf, Senior Officer of the Canadian Consulate General of Los Angeles and included representatives from Showtime Network Inc., Warner Bros., Whidbey Island Films and Paramount Studios. Furthermore, a reception was held at the Getty Center, where Canada's David Foster, Paul Anka and Manitoba's own Chantal Kreviazuk entertained guests.

Manitoba International:
Los Angeles Exchange 2002

Alexa Rosentreter
(MANITOBA FILM & SOUND)
Carole Vivier (MANITOBA FILM & SOUND)
Premier Gary Doer
Maureen Boyd
Colin Robertson
(Canadian Consulate General of Los Angeles)

TOWARDS TOMORROW SUMMIT

MANITOBA FILM & SOUND was invited to participate in the Towards Tomorrow Summit in Mont-Tremblant, Quebec. Hosted by Telefilm Canada and attended by the Honourable Sheila Copps, Minister of Canadian Heritage, the summit included representatives from the film, television and new media. The purpose of the summit was to discuss not only the achievements, but also the challenges these industries are facing during times of unprecedented expansion and diversification. As MANITOBA FILM & SOUND continues to expand the Corporation's film and sound programs, attending national focus groups such as the Towards Tomorrow Summit benefits future policies, strategies and procedures developed by MANITOBA FILM & SOUND.

IRELAND SMART TOUR 200[illegible]

MANITOBA FILM & SOUND and representatives from Manitoba's business, education and government communities, together with the Honourable Minister Mihychuk, Minister of Industry, Trade and Mines, participated in the Ireland Smart Tour 2001.

Hosted by the Winnipeg Chamber of Commerce, the tour traveled to Ireland to meet with various business and government sector representatives to discuss shared economic strategies and goals. MANITOBA FILM & SOUND used this opportunity to meet with representatives from Enterprise Ireland, Irish Screen and film and television production companies.

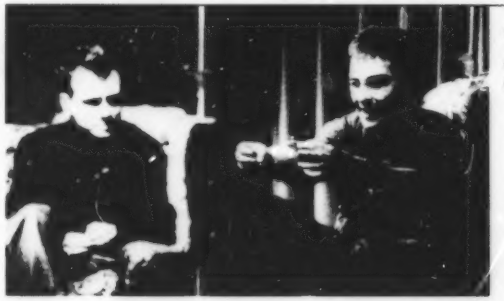
PROGRAMS COMMITTEE

Following industry consultations, and review and approval by the Programs Committee and Board of Directors, MANITOBA FILM & SOUND implemented new programs and continues to make ongoing changes to its existing Program Guidelines.

- The Access to Festivals Program was implemented for film and television writers and directors to attend national and international film festivals.
- The Tour Manitoba Program was developed, as an outreach initiative for musicians to tour the rural areas of the province.
- The Sound Portfolio Investment Envelope (PIE) Program was developed to assist Manitoba companies in the sound industry to increase their capacity to develop and support Manitoba creative talent by developing, strengthening and sustaining Manitoba's sound industry companies.
- The Emerging Talent Matching Funds Program was implemented to support entry-level filmmakers who have received production funding awards through a competitive process from a recognized industry organization.
- The Corporation will consult and work with MARIA and MMPIA and industry representatives to develop film and sound programs to target the Aboriginal, Metis and Francophone communities.
- The Corporation has had ongoing meetings with representatives from Industry, Trade and Mines and financial institutions to discuss alternative measures in administering the Special Loan Program, including a potential loan guarantee program.
- The Feature Film Completion Fund Program was created as a pilot program to fund feature film projects that had already completed principal photography and otherwise would have been ineligible for Equity Investment. In fiscal year 2002, two projects received funding, including: Buggy Vaughn Films, Inc. for *Barbara James* and E.K. Soul Productions Inc. for *East of Euclid*, for a total commitment of $68,134.

TAX CREDIT ADVISORY COMMITTEE

To establish an ongoing formal line of communication regarding the Manitoba Film and Video Production Tax Credit (MTC), MANITOBA FILM & SOUND created the Tax Credit Advisory Committee. Consisting of representatives from the Corporation, the Manitoba Arts Branch, Manitoba Finance, the Manitoba Motion Pictures Industry Association, Film Training Manitoba, the Manitoba division of the Director's Guild of Canada, IATSE 856 and IATSE 669, the committee meets quarterly to discuss ongoing issues and concerns to ensure the Tax Credit is meeting the needs of the production community.



NSI's FilmExchange Film Festival

Geoff Pevere (Toronto Star) interviews film director, Atom Egoyan

FILM FESTIVALS

MANITOBA FILM & SOUND recognizes the importance of supporting Canadian film festivals to continue the growth of the film industry in Canada. This year, MANITOBA FILM & SOUND sponsored the National Screen Institute's Canadian film festival, FilmExchange in Winnipeg. The Corporation sponsored the opening reception and the *A Conversation With* event with acclaimed director Atom Egoyan with Board member David Dandeneau doing the honour of introducing Atom Egoyan.

To further support this vital cultural industry, MANITOBA FILM & SOUND participated in other national film festivals including, the Toronto International Film Festival and Hot Docs, the Canadian International Documentary Film Festival. This year, at the 26th annual Toronto Film Festival, Manitoba Director Sean Garrity was awarded the Best First Canadian Feature prize for the MANITOBA FILM & SOUND funded feature film *Inertia* and Director deco da·vson's short film, *FILM(dzama)* was awarded the Best Canadian Short Film prize.

To celebrate their achievements, MANITOBA FILM & SOUND together with the Winnipeg Free Press and Plug-In Gallery hosted a post-festival screening and reception that was attended by the Honourable Minister Mihychuk, Minister of Industry, Trade and Mines

26th Annual Toronto International Film Festival

Brendan Stewart (L, Producer) Sean Garrity (Writer and Director) at Inertia

SOUND INDUSTRY INITIATIVES

MANITOBA FILM & SOUND contributes to the development and promotion of the sound recording industry by attending various industry events, conferences and meetings throughout the year. This year, representatives from MANITOBA FILM & SOUND and the sound industry producers, managers and musicians traveled to national and international events, including: the North-By-Northeast (NXNE), Canadian Music Week (CMW) and the Folk Alliance Canada conferences in Toronto; the Juno Awards in Hamilton; the Aboriginal Music Awards in Rama, Ontario; as well as South-By-Southwest (SXSW) in Austin, Texas and the Folk Alliance in Jacksonville, Florida.

Now an established tradition, MANITOBA FILM & SOUND co-hosted the NXNE and SXSW barbeques with MARIA. Attended by industry professionals, the BBQs are a favourite event to meet and network with all levels of industry professionals. This year, recording artists *Nathan* and Cara Luft showcased at the NXNE BBQ. *The Weakerthans* and Christine Fellows showcased at SXSW.

In September, MANITOBA FILM & SOUND's Kevin Walters attended the Canadian Country Music Awards in Calgary, where Manitoba recording artists *Doc Walker* showcased.

MANITOBA FILM & SOUND's presence at the 3rd annual Prairie Music Week was stronger than ever. Held in Edmonton, MANITOBA FILM & SOUND's Carole Vivier and Kevin Walters attended together with Board member Victor Dobchuk along with David Dandeneau, Leo Dufault and Heather Bishop, who attended as nominees. David and Leo were awarded the Prairie Music Award for Outstanding Francophone Recording. MANITOBA FILM & SOUND funded recording artists performed at the Awards night, including: Cara Luft, *Fubuki Daiko, McMaster & James, Mood Ruff* and Billy Joe Green.

MANITOBA FILM & SOUND represents the Manitoba sound industry on national industry Boards, including: the Folk Alliance of Canada and the Prairie Music Alliance Board of Directors.

MANITOBA FILM & SOUND's Carole Vivier enjoying the NXNE BBQ with Dennis Muirhead (Dennis Muirhead Management) and friends

FILM LOCATIONS

MANITOBA FILM & SOUND is the office of the provincial Film Commissioner and a member of the Association of Film Commissions International (AFCI). As part of our services, MANITOBA FILM & SOUND provides location support to productions interested in using Manitoba as a filming location.

This year, our Locations department was full of activity distributing general information packages and answering upwards of 200 location scout requests. To assist clients more efficiently, MANITOBA FILM & SOUND's Location department emailed hundreds of location photos to interested producers and production companies, which allows for instant viewing.

MANITOBA FILM & SOUND continues to make contact with offshore production companies. This year, representatives from the Corporation traveled to Los Angeles on several marketing initiatives to meet with interested production companies such as Miramax, Viacom, Turner Network, Walt Disney Motion Picture Group, Blue Rider Pictures, Showtime Networks and Universal Pictures. As a result, Manitoba was the back-drop for several guest productions this year, including:

Framed – Turner Network Television
Another Day – Alliance Atlantis
Change of Heart - Von Zerneck/Sertner Films
Coming Forward – Von Zerneck/Sertner Films
Season on the Brink – Once Upon a Time Films
Brotherhood 3 – Regent Entertainment/Rapid Heart
K-19: The Widowmaker - Distributed by Paramount Pictures

Ontario Council of Folk Festivals Showcase

Keith MacPherson
Cara Luft
Mark Reeves
Sam Boardman
Nicky Mehta

The Manitoba Film and Video Production Tax Credit was introduced in 1997 to provide an incentive to the private film and television production industry to create economic employment growth in the province. The tax credit rebates the lesser of: 35% of eligible Manitoba labour expenditures or 22.5% of eligible total production costs.

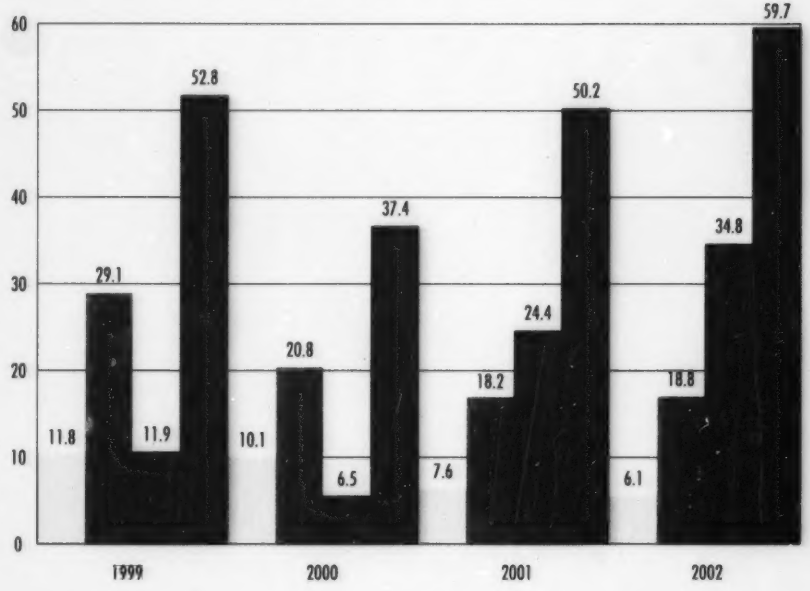
The Manitoba Tax Credit combined with MANITOBA FILM & SOUND's equity financing are essential to the growth of Manitoba's film and television industry. The Manitoba Tax Credit can also be credited for bolstering both co-production (Manitoba shared ownership & control) and foreign location shooting (non-Manitoba owned & controlled) activity in the province. MANITOBA FILM & SOUND statistics show that foreign location shooting grew from $11.9 million in fiscal year 1999 to $34.8 million in fiscal year 2002. This level of growth can be attributed in part to the creation of the Manitoba Film and Video Tax Credit.

A total of 36 productions applied to the tax credit program (both Part A and Part B applications) during the 2002 fiscal year, representing approximately $69.3 million worth of production activity, and estimated tax credits of $6.2 million.

FIGURE 1

TYPE	NUMBER OF PROJECTS	PROJECTED FINAL PRODUCTION BUDGETS	PROJECTED TAX CREDIT	TAX CREDIT AS % OF BUDGET
Feature Films	9	$27.3 million	$2.2 million	8%
TV Series	4	$5.8 million	$0.7 million	12%
Movie of the Week, TV Specials	8	$26.9 million	$2.1 million	8%
Documentary/Doc. Series	15	$9.3 million	$1.2 million	13%
TOTALS	36	$69.3 million	$6.2 million	9%

FIGURE 2 • FILM & TELEVISION PRODUCTION IN MANITOBA (in millions of dollars)



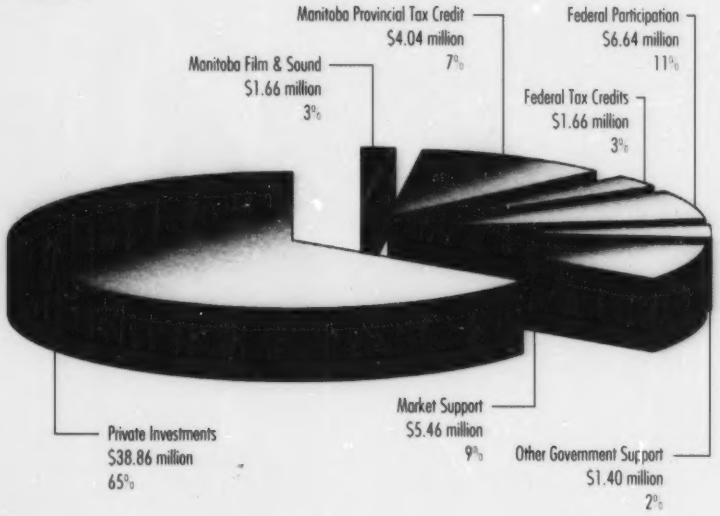
Note: As these figures represent production budgets as at fiscal years ending March 31 amounts reported from previous fiscal years may vary based on final budget figures provided after that date.

FILM

Financing of independent productions requires the participation from several sources and often MANITOBA FILM & SOUND's equity commitment to a project will trigger other investors to participate. Outside of MANITOBA FILM & SOUND and the Manitoba Provincial Tax Credit, other sources for production financing come from Federal participants (ie. Telefilm Canada, Canadian Television Fund), Market Support (Broadcaster licences, Distribution Advances), Federal & Other Provincial Tax Credits, and Private Sector (ie. Production Company investment, deferrals, Corporate sponsors and Private Investments).

As Figure 3 demonstrates, with Manitoba's 10% equity financing and tax credit support, $59.7 million in indigenous, domestic co-production and foreign production activity occurred in fiscal year 2002. This amount reflects $54 million of investment from other sources. For every $1 of Manitoba equity and tax credit investment an additional $9 was triggered in other production financing. This is a clear indication that Manitoba's modest investment attracts millions of dollars of additional revenues into Manitoba's economy.

FIGURE 3

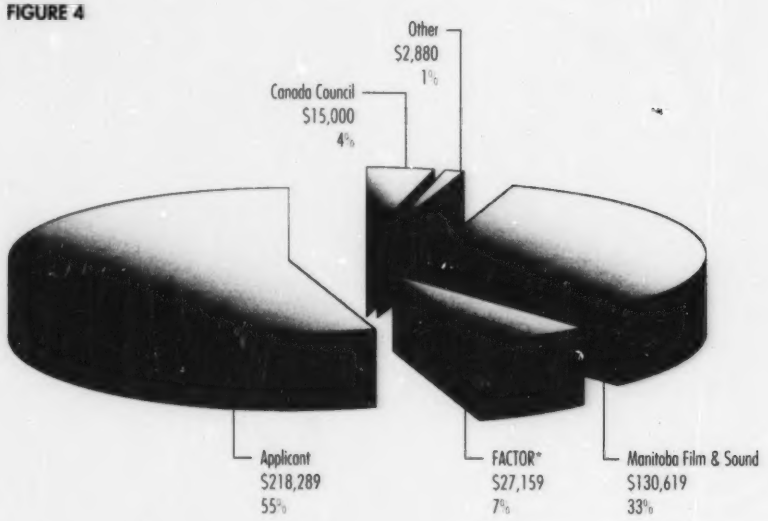


Source: Fiscal year 2002 film production activity of $59.7 million is as of March 31, 2002 and compiled from data provided in equity and tax credit applications submitted to MANITOBA FILM & SOUND.

SOUND

Available funding from other sources for sound recording production is limited (FACTOR, Video FACT) and therefore very competitive. MANITOBA FILM & SOUND's investment is the key element of support to Manitoba's emerging and established musicians. As shown in Figure 4, for every $1 of investment from MANITOBA FILM & SOUND,* an additional $3 of investment is triggered with the majority of investments coming from the recording artists themselves. The financial investment from both the musicians and MANITOBA FILM & SOUND has contributed significantly to the cultural and economic successes of this industry on national and international levels.

FIGURE 4



Source: Fiscal year 2002 sound production activity of $393,947 is as of March 31, 2002 and compiled from data provided in CD, demo and music video applications submitted to MANITOBA FILM & SOUND.

* Amount does not include $15,000 FACTOR contribution committed in this fiscal year to a project that was recorded in MANITOBA FILM & SOUND last year's (2000/01) production activity. Total FACTOR dollars committed to Manitoba in 2001/02 is $42,159.

Peer-review adjudication remains at the core of MANITOBA FILM & SOUND's Sound Recording, Demo Recording and Low Budget Feature Film Development Programs.

Jurors for Sound Programs are drawn from all sectors of the provincial sound recording industry and include record retail employees, recording studio personnel, producers, engineers, musicians, songwriters, agents, talent managers, lawyers and publicists. Sound Recording proposals must be recommended for funding unanimously by a minimum of two juries. Proposals are then analyzed and a recommendation for funding is made by the Manager, Sound Recording Programs prior to the execution of a contract.

Film industry professionals, organized through the National Screen Institute-Canada on behalf of MANITOBA FILM & SOUND, adjudicate all Low Budget Feature Film Development applications. Proposals and juror recommendations are then analyzed and a recommendation for funding is made by the Manager, Film Programs prior to the execution of a contract. MANITOBA FILM & SOUND thanks the jurors who gave so generously of their time.

Sean Allum
Kirsten Andrews
Mark Aptekman
Sonia Arab
Darcy Ataman
Gerry Atwell
Sam Baardman
Greg Barratt
John Batiuk
Nolan Balzer
Erin Benjamin
Chris Brett
Hal Brolund
Chris Brown
Les Bruce
Chris Burke-Gaffney
Dave Burpee
Tremaine Burrows
Kevin Clifford
Billy Collins
Marc Crevier
Lochlin Cross
Damon D'Oliveira
Niv Fichman
Vince Fontaine
Lyle Foster
Chris Frayer
Brandon Friesen
Gord Fry
Stefan Gisliso
Aileen Goos
Pierre Guerin
Dylan Hermiston
Maurice Hogue
Doug Holmes
David Hopwood
Rob Hoskin
Susan Israel
Paul James
Liz Janzen
Jaylene Johnson
John Jones
Todd Jordan
John Kendle
Bartley Kives
Rob Krause
Susan Krepart
Rene Lamoureux
Norm Lussier
Ian Low
Guy Maddin
Boyd MacKenzie
Allan Magee
Howard Mandshein
John Marlow
Ray Martin
Candice Masters
Randall McIlroy
Sean McManus
Craig Medwyduk
Ruth Moody
Daniel Natyna
Scott Nolan
Paul Nolin
Linda Nelson
James O'Connor
Gilles Paquin
Art Pearson
Lloyd Peterson
Ross Porter
Kinzey Posen
Olaf Pyttlik
Doren Roberts
Rob Rousseau
Larry Roy
RoseAnna Schick
Robin Schlatt
Danny Schur
Dave Sherman
Jason Smith
Clint Skibitsky
Sara Stasiuk
Jeff Storry
Ben Sures
Anthony Tordiffe
Art Turner
Rick Unruh
Shirley Vercruysse
George Vincent
Kevin Williams
Glen Willows
Jill Wilson
Wes Wilson
Alan Wolanin
Elizabeth Yake

PROJECTS SUPPORTED IN FISCAL YEAR 2002

DEVELOPMENT

MARKET DRIVEN FEATURE FILM DEVELOPMENT FINANCING PROGRAM AND
MARKET DRIVEN TELEVISION DEVELOPMENT FINANCING PROGRAM

Eligible applicants receive financial assistance for the development of viable motion picture concepts into screenplays for Television and Theatrical Release. Financing under both these programs takes the form of a recoupable loan and is committed according to phases. Should the project qualify for production financing, the development loan is converted into an equity investment.

Feature Film Development: Phase I – Concept to Fully Developed Treatment; Phase II – Treatment to First Draft Screenplay; Phase III – Second Draft Screenplay; and Phase IV - Final Draft Screenplay & Packaging. Loans are capped at a maximum of $35,000 for all four phases or 50% of approved eligible costs, whichever is lesser.

Television Development: Phase I – Concept to Fully Developed Treatment; Phase II – Treatment to First Draft Screenplay; Phase III – First Draft to Final Draft Screenplay. Loans are capped at a maximum of $25,000 for all three phases or 50% of approved eligible costs, whichever is lesser.

During the 2002 fiscal year, 16 applications were approved for a total investment of $123,570:

APPLICANT/DEMANDEUR	PROJECT/PROJET
Argyle Gargoyle Productions	Wrestling With The North Phase II
Boke Films Inc.	The Republic of Love Phase III
Buffalo Film Company Inc.	Pigs Fly
Buffalo Film Company Inc.	Indian Outlaws Phase II
Buffalo Film Company Inc.	Magnificent Obsessions
Buffalo Gal Pictures Inc.	The Emancipation of Emily Blake Phase II
Buffalo Gal Pictures Inc.	Arousal
Chicak Communications Ltd.	Hawk
Credo Entertainment Corporation	Hockey Dreams Phase II
Eagle Vision Productions Inc.	Tipi Tales
Edward Fitz Productions	Royal Liechtenstein Theatre Company
First Voice Multimedia	Jackson Beardy: The Man and the Artist
I.C.E. Productions Ltd.	Sacrifice: The J.J. Harper Story Phase IV
May Street Group Film, Video & Animation Ltd.	A Matter of Judgement Phase III
Merit Motion Pictures Inc.	Spirit in My Suitcase
Vonnie Von Helmolt Films	Dracula - The Ballet

PROJETS FINANCÉS AU COURS DE L'EXERCICE 2001-2002

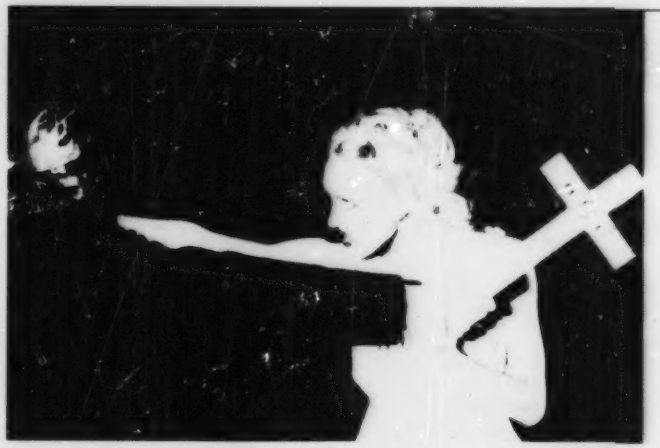
DÉVELOPPEMENT

PROGRAMME DE FINANCEMENT POUR LE DÉVELOPPEMENT DE LONGS MÉTRAGES AXÉS SUR LE MARCHÉ ET PROGRAMME DE FINANCEMENT POUR LE DÉVELOPPEMENT D'ÉMISSIONS TÉLÉVISÉES AXÉES SUR LE MARCHÉ

Les demandeurs admissibles reçoivent de l'aide financière pour l'élaboration de scénarios à partir de concepts de films viables en vue de leur diffusion à la télévision et en salle. Le financement offert en vertu de ces deux programmes prend la forme d'un prêt remboursable et est accordé par phases. Si le projet est admissible au financement pour la production, le prêt de développement est converti sous forme de placement en actions.

Développement d'un long métrage : phase I – de la conception au synopsis entièrement développé; phase II – du synopsis à la première ébauche du scénario; phase III – la deuxième ébauche du scénario; et phase IV – la version définitive du scénario et la préparation finale. Les prêts ne peuvent dépasser 35 000 $ pour les quatre phases ou 50 % des coûts admissibles approuvés, selon la moindre de ces deux sommes.

Développement d'un projet télévisuel : phase I – de la conception au synopsis entièrement développé; phase II – du synopsis à la première ébauche du scénario; phase III – de la première ébauche à la version définitive du scénario. Les prêts ne peuvent dépasser 25 000 $ pour les trois phases ou 50 % des coûts admissibles approuvés, selon la moindre de ces deux sommes.



Dracula - The Ballet
Feature produced by
Vonnie Von Helmolt Films

LOW BUDGET FEATURE FILM DEVELOPMENT FINANCING PROGRAM

The Low Budget Feature Film Development Financing Program provides eligible applicants with financial assistance for the development of viable low budget feature film projects. Funding decisions are based on a subjective assessment by an independent jury. Projects are assessed on script excellence, creative and cinematic merits, and are held twice yearly.

Funding is available in phases with a maximum investment of $25,000 for all three phases: Phase I – Treatment to First Draft; Phase II – First to Second Draft; Phase III – Final Draft and Packaging.

During the 2002 fiscal year, four applications were approved for a total investment of $31,785. Au cours de l'exercice 2001-2002, quatre demandes ont été approuvées, pour une contribution totale de 31 785 $.

APPLICANT/DEMANDEUR	PROJECT/PROJET
Buffalo Gal Pictures Inc. and Journey Films Inc.	Jacklighting – Phase III
Carole O'Brien d.b.a. Bastille Day Films	Estelle ma Belle – Phase I
Darryl Kinaschuk d.b.a. Endstop & Elsewhere	Broadway of Fejos – Phase I
Oscar Fenoglio and Michael Marshall	rushes – Phase II

PRODUCTION FINANCING

MARKET DRIVEN TELEVISION PRODUCTION FINANCING PROGRAM AND MARKET DRIVEN FEATURE FILM PRODUCTION PROGRAM

The Film Production Financing Program assists in the production financing of fully developed feature film or television projects through non-interest equity investments and/or recoupable advances.

During the 2002 fiscal year, 18 new applications were approved for a total investment of $2,152,113: Au cours de l'exercice 2001-2002, 18 nouvelles demandes ont été approuvées, pour une contribution totale de 2 152 113 $.

The Nature of Nicholas
Feature produced by Nicholas Films Inc.

PROGRAMME DE FINANCEMENT POUR LE DÉVELOPPEMENT DE LONGS MÉTRAGES À FAIBLE BUDGET

Le programme de financement pour le développement de longs métrages à faible budget offre aux demandeurs admissibles de l'aide financière pour le développement d'un long métrage viable à faible budget. La décision d'accorder ou non le financement est basée sur un examen subjectif mené par un comité de sélection indépendant. Les projets sont évalués selon l'excellence du scénario ainsi que leur aspect créatif et leur mérite cinématographique. L'évaluation des demandes a lieu deux fois par année.

Le financement est offert par phases, le plafond étant fixé à 25 000 $ pour les trois phases : phase I – du synopsis à la première ébauche; phase II – de la première à la deuxième ébauche; phase III – la version définitive et la préparation finale.

FINANCEMENT POUR LA PRODUCTION

PROGRAMME DE FINANCEMENT POUR LA PRODUCTION D'ÉMISSIONS TÉLÉVISUELLES AXÉES SUR LE MARCHÉ ET PROGRAMME DE FINANCEMENT POUR LA PRODUCTION DE LONGS MÉTRAGES AXÉS SUR LE MARCHÉ

Le programme de financement pour la production de films offre de l'aide financière pour la production de projets télévisuels ou de longs métrages dont le développement est entièrement terminé, par l'intermédiaire de placements en actions sans intérêt ou d'avances remboursables.

APPLICANT/DEMANDEUR	PROJECT/PROJET
4237839 Manitoba Inc.	Inertia
Argyle Gargoyle Productions	Wrestling With The North
Arthunters Inc.	The Art of War
Buffalo Gal Pictures Inc.	Yellowknife
Buffalo Gal Pictures Inc.	2030 CE
Buffalo Film Company Inc.	Magnificent Obsessions
Credo Entertainment Corporation	Pioneer Quest: A Year In The Real West
Credo Entertainment Corporation	A Wilderness Station
First Voice Multimedia Inc.	La Voix des Mechifs
Frantic Films	Quest for the Bay
John Aaron Productions Inc.	Fear X
Lank/Beach Productions Inc.	Innocence Under Siege: Healing a Scarred Generation
Lank/Beach Productions Inc.	Year of the Vounteer
Nicholas Films Inc.	The Nature of Nicholas
Original Pictures Inc.	Poor Superman
Original Pictures Inc.	The Many Trials of One Jane Doe
Productions Francophonie d'amerique II Inc.	Francophonie II : "Mon pays c'est l'Ouest
Vonnie Von Helmolt Films	Dracula - The Ballet

FILM AND VIDEO PRODUCT MARKETING SUPPORT PROGRAM

The objective of this program is to promote the marketing and distribution of Manitoba product in the local, national and international marketplace.

Financial participation is in the form of a contribution up to 50% of approved eligible costs, not to exceed $1,500 for promotional materials.

No applications received in fiscal year 2002.

ACCESS TO FESTIVALS PROGRAM

This newly created program provides financial assistance to film and television directors and writers who have professional experience in the film and television industry and whose programs have been selected to screen at festivals that have significant industry recognition.

The program provides financial assistance to selected individuals to help offset registration, travel and accommodation costs to a maximum of $750 within Canada and $1,500 outside of Canada to a maximum of 50% of the proposed budget.

During the 2002 fiscal year, two applications were approved for a total investment of $2,137.79:
Au cours de l'exercice 2001-2002, deux demandes ont été approuvées, pour une contribution totale de 2 137,79 $.

APPLICANT/DEMANDEUR	PROJECT/PROJET
Darryl Kinaschuk (aka deco dawson)	International Film Festival Rotterdam · *FILM(dzama)*
Indian Snackbox Films (Sean Garrity)	South by SouthWest Film Festival · *Inertia*

Quest for the Bay

Documentary series produced by Frantic Films Inc.

PROGRAMME DE SOUTIEN POUR LA MISE EN MARCHÉ DE PRODUCTIONS VIDÉO OU CINÉMATOGRAPHIQUES

L'objectif de ce programme est de promouvoir la mise en marché et la distribution de produits manitobains à l'échelle locale, nationale et mondiale.

La participation financière prend la forme d'une contribution maximale de 50 % des coûts admissibles approuvés, jusqu'à concurrence de 1 500 $ pour le matériel publicitaire.

Aucune demande reçue au cours de l'exercice 2002.

PROGRAMME « ACCÈS AUX FESTIVALS »

Ce programme nouvellement créé offre de l'aide financière aux réalisateurs et aux scénaristes de films et d'émissions télévisées qui possèdent de l'expérience professionnelle et dont les projets ont été choisis pour être diffusés lors de festivals bien en vue dans l'industrie.

Le programme offre de l'aide financière à des personnes choisies en vue de les aider à couvrir les frais d'inscription, de déplacement et d'hébergement jusqu'à concurrence de 750 $ au Canada et de 1 500 $ à l'extérieur du Canada. Le montant accordé ne peut toutefois pas dépasser 50 % du budget proposé.

Year of the Volunteer

Documentary produced by Lank/Beach Productions Inc.

ACCESS TO MARKETS PROGRAM

MANITOBA FILM & SOUND supports the development of Manitoba film and television producers selected to attend international markets, co-production conferences/exchanges and a limited number of film festivals. MANITOBA FILM & SOUND will provide financial assistance to selected individuals to help offset registration, travel and accommodation costs.

Effective July 15, 2001, the program funds were redirected to be administered by the Manitoba Motion Pictures Industry Association (MMPIA) through the "Access to Markets" Program created under the M3P project.

During the 2002 fiscal year, 15 applications were approved for a total investment of $22,564.53:
Au cours de l'exercice 2002, 15 demandes totalisant 22 564,53 $ ont été approuvées.

APPLICANT/DEMANDEUR	PROJECT/PROJET
Barry Lank/Lank Beach Productions	Banff Television Festival
Jeremy Torrie/High Definition Pictures	Banff Television Festival
Jack Clements/John Aaron Productions	Banff Television Festival
Linda Nelson & Norm Lussier/Ya Yo Productions	Banff Television Festival
Merit Jensen Carr/Merit Motion Pictures Inc.	Banff Television Festival
Lorne MacPherson/Buffalo Gal Pictures Inc.	Banff Television Festival
Rob Gereghty/RBG Films Inc.	Banff Television Festival
B. Lank, C. Konowal, O.B. Whitford (delivered through Film Training Manitoba's Professional Development Fund)	Hot Docs
Brendon Sawatzky	Toronto International Film Festival
Vonnie Von Helmalt/ 2802031 Manitoba Ltd.	MIPCOM 2001
Phyllis Laing/ Buffalo Gal Pictures Inc.	North Meets South Co-Production Mission
Kim Todd/ Original Pictures Inc.	North Meets South Co-Production Mission
Jon E. Gustafsson	MIPCOM 2001

PROGRAMME « ACCÈS AUX MARCHÉS »

La Société manitobaine de développement de l'enregistrement cinématographique et sonore soutient le développement des téléastes et cinéastes choisis pour participer à des foires internationales et à des conférences et à des échanges en matière de coproduction, et pour prendre part à un nombre limité de festivals du film internationaux. La Société manitobaine de développement de l'enregistrement cinématographique et sonore versera une aide financière aux personnes choisies afin de compenser les droits d'inscription, et les frais de déplacement et d'hébergement.

À compter du 15 juillet 2002, les fonds du programme seront réorientés pour être administrés par la Manitoba Motion Pictures Industry Association (MMPIA) par l'entremise du programme « Accès aux marchés » créé dans le cadre du projet M3P.

EMERGING TALENT MATCHING FUNDS PROGRAM

This program is designed to support entry-level filmmakers who have received production funding awards through a competitive process from a recognized industry organization. This program encourages skills advancement and the development and application of standard industry practices for entry-level producers and directors. MANITOBA FILM & SOUND's investment may be up to 50% of a project's total budget, to a maximum of $10,000.

During the 2002 fiscal year, one application was approved for a total investment of $10,000:
Au cours de l'exercice 2001-2002, une demande a été approuvée, pour une contribution totale de 10 000 $.

APPLICANT/DEMANDEUR	PROJECT/PROJET
Northern Pursuit Pictures (Matt Holm)	Spring Chickens

PROGRAMME DE FINANCEMENT DE CONTREPARTIE POUR LES CINÉASTES EN DÉBUT DE CARRIÈRE

Ce programme a été conçu pour offrir un soutien financier aux nouveaux cinéastes qui, à la suite d'un concours, se sont vu accorder une aide financière pour un projet de réalisation par un organisme reconnu de l'industrie, Ce programme encourage le développement professionnel, ainsi que l'élaboration et la mise en application de pratiques courantes de l'industrie pour les nouveaux réalisateurs et producteurs. Les fonds accordés par la Société en vertu du programme peuvent couvrir au maximum 50 % du budget total du projet, jusqu'à concurrence de 10 000 $.

2030 C.E.
Children's series
produced by
Buffalo Gal Pictures Inc.
and Minds Eye Pictures

Yellowknife
Feature produced by
Buffalo Gal Pictures Inc.

SOUND RECORDING PRODUCTION FUND

This program is designed to support the production of culturally relevant and commercially viable sound recordings by Manitoba's sound recording industry. All types and classes of commercially viable sound recording productions are eligible for support.

Financial participation is in the form of a loan of up to 50% of the total budget to a maximum of $10,000 for projects with a confirmed national distribution deal. Where no national distribution deal exists, financial participation will be in the form of a loan of up to 50% of the total budget ranging from $2,500 to $5,000. All applications are adjudicated by a minimum of two juries of peers.

During the 2002 fiscal year, 16 applications were approved for a total investment of $84,250:

APPLICANT/DEMANDEUR	PROJECT/PROJET
Allison & Bob Somers	Paper Moon Album '01
Bo Jess Records	Deborah Romeyn - Album 2002
Brad Garinger	The Harlots Album '01
BURNTHE8TRACK	BURNTHE8TRACK Album 2002
Chris Zielke	Jon Buller Album '01
Christine Fellows	Christine Fellows "The Last One Standing"
Class Act Music Productions	Janice Finlay Album 2002
Jay Burns	Fleshtone Rockets Album 2002
Madrigaïa	Madrigaïa
MDA Productions Inc.	Mark Reeves - Album 2002
Monica Schroeder	Monica Schroeder
Remark Music	Danny Kramer Album 2002
Scott Nolan	Scott Nolan Band Album '01
Steve Schellenberg	S. Schellenberg- "Princes & Kings"
Ted Longbottom Enterprises	Ted Longbottom Album '01
Trois Petits Chats Music	Dominique Reynolds Album 2002

Paper Moon

Danny Kramer

FONDS DE PRODUCTION D'ENREGISTREMENTS SONORES

Ce programme a été conçu pour soutenir la production d'enregistrements sonores viables sur le plan commercial et ayant de l'importance sur le plan culturel par l'industrie de l'enregistrement sonore du Manitoba. Les enregistrements sonores de tous les genres qui sont viables sur le plan commercial sont admissibles à ce programme.

La participation financière prend la forme d'un prêt ne pouvant représenter plus de 50 % du budget total, jusqu'à concurrence de 10 000 $ dans le cas de projets pour lesquels on a conclu une entente de distribution à l'échelle nationale. Sans une telle entente, la participation financière prendra la forme d'un prêt ne pouvant dépasser 50 % du budget total, totalisant de 2 500 $ à 5 000 $. Toutes les demandes sont examinées par au moins deux comités réunissant des pairs.

Monica Schroeder

Madrigaia

Janice Finlay

Steve Schellenberg

BURNTHE8TRACK

DEMO RECORDING FUND

This program is designed to assist in the production of demo recordings by Manitoba artists to be used for "calling card" purposes. All genres of music are eligible for support.

Financial participation is in the form of a contribution up to a maximum of $1,200. All demo applications are assessed by a jury of peers.

During the 2002 fiscal year, 24 applications were approved for a total amount of $25,860:

APPLICANT/DEMANDEUR	PROJECT/PROJET
Alana Levandoski	Alana Levandoski Demo '01
Alana Levandoski	Alana Levandoski Demo 2002
Aliza Amihude	Small Girl Demo '01
Billy Simard	Billy Simard Demo '01
cbg Artist Development	Saint Germain & Wright
Clint Skibitzky	Olaf Pyttlik Demo '01
Danny Schur	The Tree Musical Demo 2002
Derek Kun	BURNTHE8TRACK Demo '01
Genevieve Toupin	Genevieve Toupin
Glen Willows	Lisa Bell Demo 2002
Glen Willows	Girl Friday Demo 2002
Hal Brolund	Hal Brolund Demo '01
Jenny Butler	Jenny Butler Demo '02
Jodie Borle	Jodie Borle Demo 2002
John Rempel	John Davis Demo '01
Jordan Hanson	Batuque Percussion
Marina Smith Kulba	Mia Kulba Demo 2002
Michael Melnyk	The Throbtones
Patrick Keeler	The Wedgewoods
Richard Tyborowski	Milan M.B. Trio
Rik Leaf	Rik Leaf Demo '02
Ruth Moody	Ruth Moody Demo 2002
Slo Coach Recordings	Mood Ruff Demo '02
Tiffany Joy Hirniak	Tiffany Joy Hirniak

FONDS POUR L'ENREGISTREMENT DE MAQUETTES

Ce programme a été conçu pour aider à financer l'enregistrement de maquettes par des artistes manitobains à des fins de promotion. Tous les genres de musique sont admissibles à ce programme.

La participation financière prend la forme d'une contribution maximale de 1 200 $. Toutes les maquettes sont examinées par un comité réunissant des pairs.

Hal Brolund

Jodie Borle

Alana Levandoski

RECORDING ARTIST TOURING SUPPORT PROGRAM

This program is designed to assist Manitoba recording artists reach audiences to promote their sound recording products through touring. The album to be toured is assessed on its Canadian content, with specific emphasis on Manitoba content, quality, suitability for radio play and sales potential.

Financial participation is in the form of a contribution up to 50% of eligible expenses, to a maximum of $7,500.

During the 2002 fiscal year, 16 applications were approved for a total contribution of $27,113:
Au cours de l'exercice 2001-2002, 16 demandes ont été approuvées, pour une contribution totale de 27 113 $.

APPLICANT/DEMANDEUR	PROJECT/PROJET
Art Turner	Art Turner
Cara Luft	Tempting the Storm
Christine Fellows	Christine Fellows, "2 Little Birds"
Endearing Records Inc.	Projektor- "Red Wolf Glass"
Endless Possibilities Inc.	Tracy K-Welcome to My Fantasy
Fubuki Daiko	Fubuki Daiko
G7 Welcoming Committee Records Inc.	Malefaction Crush the Dream Tour 2001
Greg MacPherson	Greg MacPherson - "Balanced on a Pin"
Keith MacPherson	Easily Amused - "Novice"
Mood Ruff	"Politic Different" tour
Nathan Music Co.	Nathan "Stranger"
Nicky Mehta	Weather Vane
Olesia Records	Paris to Kiev - "Prairie Nights & Peacock Feathers"
Smallman Records	Sixty Stories - "Different Places to Sit"
Tyson Bodnarchuk	Old Harper Tour
West Lake Music	Doc Walker - "Curve"

PROGRAMME DE SOUTIEN À L'INTENTION DES ARTISTES EXÉCUTANTS QUI FONT DES TOURNÉES

Ce programme a été conçu pour venir en aide aux artistes exécutants du Manitoba afin qu'ils puissent faire des tournées pour promouvoir leurs enregistrements sonores. L'album qui fait l'objet de la tournée est évalué selon son contenu canadien. De plus, on accorde une attention particulière au contenu manitobain, à la qualité, au potentiel de vente et à la possibilité de faire tourner l'album à la radio.

La participation financière prend la forme d'une contribution maximale de 50 % des coûts admissibles, jusqu'à concurrence de 7 500 $.

MUSIC VIDEO FUND

This program is designed to encourage the production of music videos in order to aid in the promotion and marketing of album projects with national distribution. The project must be designed for a Manitoba recording artist to promote a previously released or soon-to-be released recording, and must meet the Manitoba Content Points with regards to production of the video.

Financial participation is in the form of a contribution up to 50% of eligible expenses, to a maximum of $15,000.

During the 2002 fiscal year, three applications were approved for a total contribution of $19,000:
Au cours de l'exercice 2001-2002, trois demandes ont été approuvées, pour une contribution totale de 19 000 $.

APPLICANT/DEMANDEUR	PROJECT/PROJET
Hawg Wylde Records	Hawg Wylde, "Wait"
Paquin Entertainment Group Inc.	Amanda Stott
Ya Ya Productions Inc.	Doc Walker, (She Hasn't Always Been This Way)

FONDS DE PRODUCTION DE VIDÉOCLIPS

Ce programme a été conçu pour encourager la production de vidéoclips visant à favoriser la promotion et la mise en marché d'un album distribué à l'échelle nationale. Le programme s'adresse aux artistes exécutants manitobains qui souhaitent promouvoir un enregistrement dont la diffusion est imminente ou a déjà eu lieu, et qui satisfait aux exigences en matière de contenu manitobain.

La participation financière prend la forme d'une contribution maximale de 50 % des coûts admissibles, jusqu'à concurrence de 15 000 $.

PROFESSIONAL DEVELOPMENT FUND

The Professional Development Conference Fund provides financial assistance for confirmed showcase acts in the form of a contribution up to 50% of allowable expenditures, to a maximum of $2,000 per fiscal year, per applicant. Assistance to music industry professionals is in the form of a contribution up to 50% of allowable expenditures, to a maximum of $1,000 per fiscal year, per applicant. All applications are adjudicated based on criteria.

During the 2002 fiscal year, 64 applications were approved for a total contribution of $43,463:

APPLICANT/DEMANDEUR	PROJECT/PROJET
Billy Joe Green	Aboriginal Music Awards 2001
Finjan Klezmer Orchestra	Association of Music Personnel for Public Radio 2002
Art Turner	Canadian Folk Alliance
Mark Reeves	Canadian Folk Alliance
Westlake Management (Doc Walker)	CCMA 2001
Endearing Records Inc.	CMJ
Catch 23 Records Inc. (Pushing Daisies)	CMW 2002
Christine Fellows	CMW 2002
Endearing Records Inc.	CMW 2002
Jack Harper	CMW 2002
Paquin Entertainment Group Inc.	CMW 2002
Projektor	CMW 2002
Sixty Stories	CMW 2002
Smallman Records	CMW 2002
Sonic Bloom	CMW 2002
Olesia Productions	Eastern Europe Festival of the Arts 2001
Keith MacPherson	Folk Alliance 2001
Cara Luft	Folk Alliance 2002
James Keelaghan	Folk Alliance 2002
Jeremy Proctor	Folk Alliance 2002
Nicky Mehta	Folk Alliance 2002
Ruth Moody	Folk Alliance 2002
The Wyrd Sisters	Folk Alliance 2002
Christine Fellows	Halifax Pop Explosion 2001
Duotang	Halifax Pop Explosion 2001
Jahmeel Shafai	Halifax Pop Explosion 2001
Sean Stevens	Halifax Pop Explosion 2001
The Foster Martin Band	Henstedt Music Festival
Marcie Campbell	Jazz Expo 2001
Rising Sun Productions	Junos 2002
Sean Allum	L'ion D'or (Montreal)
Rejean Ricard	NEMO Boston Showcase & Conference

APPLICANT/DEMANDEUR	PROJECT/PROJET
Endearing Records Inc.	New Music West '01
Breno de Lima	New Music West '01
Christine Fellows	New Music West '01
Greg MacPherson	New Music West '01
Jahmeel Shafai	New Music West '01
M.A.R.I.A.	New Music West '01
Sean Allum	New Music West '01
Sean Stevens	New Music West '01
Shawn Farrell	New Music West '01
Cara Luft	NXNE '01
cbg Artist Development	NXNE '01
Derek Kun	NXNE '01
James Turner	NXNE '01
Keri McTighe	NXNE '01
M.A.R.I.A.	NXNE '01
Moses Mayes & the Funk Family Orchestra	NXNE '01
No Deluxe Nothing	NXNE '01
Rejean Ricard	NXNE '01
Scott Nolan	NXNE '01
Cara Luft	PMW '01
Darren Ford	PMW '01
Fubuki Daiko	PMW '01
Jahmeel Shafai	PMW '01
Mother of Pearl Records Inc.	PMW '01
R.A.S. Creative Services	PMW '01
Signpost Music	Religious Booksellers Trade Exhibit
Sunshine Records Ltd.	REPUTECH Conference 2002
Art Turner	Swallow Hill Showcase 2002
Christine Fellows	SXSW 2002
Night Sky Records	SXSW 2002
The Weakerthans	SXSW 2002
The Rowdymen	Viva Las Vegas 2002

FONDS DESTINÉ AU PERFECTIONNEMENT PROFESSIONNEL

Le fonds destiné au perfectionnement professionnel dans le cadre de conférences offre de l'aide financière pour des prestations musicales confirmées sous la forme d'une contribution pouvant atteindre 50 % des dépenses autorisées et aller jusqu'à 2 000 $ par exercice financier par demandeur. L'aide aux professionnels de l'industrie de la musique est accordée sous la forme d'une contribution pouvant atteindre 50 % des dépenses autorisées et aller jusqu'à 1 000 $ par exercice financier par demandeur. Toutes les demandes sont évaluées en fonction des critères établis.

RECORD PRODUCT MARKETING SUPPORT PROGRAM

This program is designed to assist with the marketing and promotion of Manitoba sound recording products. Marketing support is available for sound recording products that meet Manitoban sound recording content requirements.

Financial participation is in the form of a contribution up to 50% of eligible expenses, to a maximum of $7,500.

During the 2002 fiscal year, 10 applications were approved for a total contribution of $23,925:
Au cours de l'exercice 2001-2002, 10 demandes ont été approuvées, pour une contribution totale de 23 925 $.

APPLICANT/DEMANDEUR	PROJECT/PROJET
Blue Case Tunes	Tempting the Storm
Clive Holden	Clive Holden - Trains of Winnipeg
Endearing Records Inc.	Projektor/Novillero Marketing
Erie Bay Music	S. Schellenberg- "Princes & Kings"
Greg Lowe	Greg Lowe - "Life So Far"
Plough Records	Weather Vane
Red Letter Day	Christine Fellows "The Last One Standing"
Signpost Music	Steve Bell - "Waiting For Aidan"
Smallman Records	Smallman Records/Endearing Records Marketing at CMW 2002
Westlake Management	Doc Walker "Curve"

PROGRAMME DE SOUTIEN POUR LA MISE EN MARCHÉ D'ENREGISTREMENTS SONORES

Ce programme a été conçu pour soutenir la mise en marché et la promotion d'enregistrements sonores manitobains. De l'appui pour la mise en marché est disponible pour les enregistrements sonores qui satisfont aux exigences en matière de contenu manitobain.

La participation financière prend la forme d'une contribution maximale de 50 % des coûts admissibles, jusqu'à concurrence de 7 500 $

FINANCIAL STATEMENTS

MARCH 31, 2002

INDEX TO THE FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING 23

AUDITORS' REPORT 23

BALANCE SHEET 24

STATEMENT OF REVENUE AND EXPENDITURES AND NET ASSETS 25

STATEMENT OF CASH FLOWS 25

NOTES TO THE FINANCIAL STATEMENTS 26

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the financial statements and other information contained in this Annual Report is the responsibility of management of Manitoba Film and Sound Recording Development Corporation.

The financial statements have been prepared with Canadian generally accepted accounting principles using management's estimates and judgments where appropriate. The financial information shown elsewhere in this Annual Report is consistent with information contained in the financial statements.

Management of Manitoba Film and Sound Recording Development Corporation has developed and maintains accounting systems and internal controls designed to provide reasonable assurance of the reliability of the financial information, and that assets are appropriately accounted for and adequately safeguarded.

The financial statements for the year ended March 31, 2002 have been audited by Meyers Norris Penny LLP in accordance with generally accepted auditing standards. The Auditors' Report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

The Board of Directors carries out its responsibility for the review and approval of the financial statements to be included in the Annual Report. The Board of Directors meet with management and the auditor, Meyers Norris Penny LLP, to ensure that each party has properly discharged their responsibilities. The Board of Directors then designate the Chair, the Chief Executive Officer and one Board member-at-large to approve the Annual Report.

Carole Vivier

Carole Vivier, CEO

AUDITORS' REPORT

To the Board of Directors
Manitoba Film and Sound Recording Development Corporation

We have audited the balance sheet of Manitoba Film and Sound Recording Development Corporation as at March 31, 2002 and the statements of revenues and expenditures and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2002 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

April 19, 2002 Chartered Accountants

MANITOBA FILM AND SOUND RECORDING DEVELOPMENT CORPORATION

BALANCE SHEET

MARCH 31, 2002

ASSETS

	2002	2001
CURRENT		
Cash (Note 3)	$ 830,523	$ 375,020
Note receivable	239,318	-
Funding receivable	1,100,000	-
Accrued interest/contribution receivable	22,374	9,247
Prepaid expenses	12,795	12,967
Inventory	10,376	5,748
	2,215,386	**402,982**
NOTES RECEIVABLE (Note 4)	65,950	184,937
CAPITAL ASSETS (Note 5)	84,552	84,517
	$2,365,888	**$ 672,436**

LIABILITIES

	2002	2001
CURRENT		
Accounts payable	$ 65,728	$ 34,280
Deferred revenue (Note 6)	$ 519,858	$ -
Current portion of long-term debt	239,318	-
Carry-over commitments (Note 7)	1,318,205	293,619
	2,143,109	327,899
LONG-TERM DEBT (Note 8)	53,788	184,937
	2,196,897	**512,836**
FORWARD COMMITMENTS (Note 9)		
NET ASSETS (Note 10)		
Net assets invested in capital assets	84,552	84,517
Net assets unrestricted	84,439	75,083
	168,991	159,600
	$2,365,888	**$ 672,436**

ON BEHALF OF THE BOARD:

Director

Director

MANITOBA FILM AND SOUND RECORDING DEVELOPMENT CORPORATION

STATEMENT OF REVENUES AND EXPENDITURES AND NET ASSETS

YEAR ENDED MARCH 31, 2002

	2002	2001
REVENUES		
Provincial Government funding	$3,384,042	$2,013,900
Interest income	38,535	40,000
Program recoupments	121,253	126,356
Industry contribution	11,642	-
	3,555,472	**2,180,256**
EXPENDITURES		
Film and Television Programs Funding:		
Film Development Financing Program	123,570	114,855
Film Production Financing Program	2,152,113	1,016,883
Film and Video Product Marketing Support Program	-	2,700
Access to Markets and Festivals Program (previously Professional Development)	24,702	25,913
Low Budget Feature Film Development Financing Program	31,785	57,955
Emerging Talent Matching Funds Program	10,000	-
Feature Film Completion Funding Program	68,134	-
Interest expense	11,603	10,982
	2,421,907	**1,229,288**
Sound Programs Funding:		
Sound Recording Production Fund	84,250	88,078
Demo Recording Fund	25,860	29,482
Music Video Fund	19,000	21,198
Record Product Marketing Support Program	23,925	12,800
Recording Artist Touring Support Program	27,113	27,685
Professional Development Program	43,463	33,511
Tour Manitoba Program	20,000	-
	243,611	**212,754**
Industry Support:		
Film:		
Industry Associations/Co-operatives	41,000	32,000
Sponsorships	33,850	54,021
Marketing	6,040	8,124
	80,890	**94,145**
Sound Recording:		
Industry Associations/Co-Operatives	1,000	-
Sponsorships	15,000	26,750
Marketing	5,781	14,780
	21,781	**41,530**
Film Commission/Locations Services	**88,525**	**140,814**
Administrative:		
- Salaries	378,711	382,957
- Operating	310,656	234,046
	689,367	**617,003**
	3,546,081	**2,335,534**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**$ 9,391**	$ (155,278)
NET ASSETS, BEGINNING OF YEAR	**159,600**	314,878
NET ASSETS, END OF YEAR	**$ 168,991**	**$ 159,600**

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2002

CASH PROVIDED (USED) BY:	2002	2001
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	$ 9,391	$ (155,278)
Amortization	23,500	20,888
Loss on disposal	376	(75)
Carry-over commitments expensed	2,653,916	1,421,050
Payments on outstanding carry-over commitment	(1,629,330)	(1,426,439)
Funding receivable	(1,100,000)	-
Deferred revenue	519,858	-
Accrued interest/contribution receivable	(13,127)	7,004
Prepaid expenses	172	13,849
Inventory	(4,628)	2,288
Accounts payable	31,448	(5,381)
	491,576	**(122,094)**
INVESTING ACTIVITIES		
Additions to capital assets	(26,660)	(11,783)
Proceeds on disposal of capital assets	2,749	
Repayment of notes receivable	22,775	250,000
Advance of notes receivable	(143,106)	(34,937)
	(144,242)	**203,280**
FINANCING ACTIVITIES		
Repayment of long-term debt	(34,937)	(250,000)
Advances of long-term debt	143,106	34,937
	108,169	**(215,063)**
INCREASE (DECREASE) IN CASH FLOWS	455,503	(133,877)
CASH, BEGINNING OF YEAR	375,020	508,897
CASH, END OF YEAR	**$ 830,523**	**$ 375,020**

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF BUSINESS

Manitoba Film and Sound Recording Development Corporation (the "Corporation") is a statutory corporation created by the Province of Manitoba through *The Manitoba Film and Sound Recording Development Corporation Act*. The chief objective of the Corporation is to foster growth of the Manitoba film and sound recording industries by providing financial and other assistance.

The Corporation has been designated by the Minister of Finance to administer the Manitoba Film and Video Production Tax Credit Program, including registration of productions and review of tax credit applications.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

PROGRAM FUNDING

The Corporation provides grant funding to Manitoba companies and individuals in four categories in order to promote Manitoba's film and sound recording artists and industries. The grant may nominally take the form of equity financing from which, in the future, there may be a recovery of principal or return on investment.

REVENUE RECOGNITION

Any recovery of principal or return on investment of programs funded is recorded as program recoupments, when received.

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

Computer equipment	30%
Furniture	20%
Leasehold improvements	5%
Equipment	20%
Website	30%

MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Amortization of capital assets is provided based on the Corporation's estimated useful lives of those assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

3. CASH

Cash on deposit earns monthly interest at the Chartered Bank's commercial rates.

4. NOTES RECEIVABLE

Notes receivable reflect loans advanced under the Special Loan fund, are required to be repaid as follows:

	2002	2001
Term loan bearing interest at 7.625%, interest payments due monthly, and principal balance due on June 1, 2002, secured by an assignment of film tax credits.	150,000	150,000
Term loan bearing interest at 7.0%, interest payable monthly, and principal balance due August 18, 2003, secured by an assignment of film tax credits.	12,162	34,937
Term loan bearing interest at 4.25%, interest payable monthly, and principal balance due August 1, 2003, secured by an assignment of film tax credits.	32,500	-
Term loan bearing interest at 5.25%, interest payable monthly, and principal balance due September 13, 2003, secured by an assignment of film tax credits.	21,288	-
Term loan bearing interest at 3.5%, interest payable monthly, and principal balance due January 30, 2003, secured by an assignment in part of license fee.	23,391	-
Term loan bearing interest at 3.5%, interest payable monthly, and principal balance due January 30, 2003, secured by an assignment of film tax credits.	56,329	-
Term loan bearing interest at 3.9%, interest payable monthly, and principal balance due February 20, 2003, secured by an assignment of film tax credits.	9,598	-
	305,268	184,937
Less: Current portion	239,318	-
	$ 65,950	$ 184,937

5. CAPITAL ASSETS

	2002			2001
	Costs	Accumulated Amortization	Net Book Value	Net Book Value
Website	$ 4,907	$ 2,797	$ 2,110	$ 3,582
Computer equipment	46,791	27,139	19,652	20,242
Furniture	43,097	17,508	25,589	24,054
Leasehold improvements	41,447	5,111	36,336	35,304
Equipment	2,358	1,492	866	1,335
	$138,600	**$ 54,047**	**$ 84,553**	**$ 84,517**

6. DEFERRED REVENUE

The Province of Manitoba has provided funds directed to specific programs in the next fiscal year. These funds consist of $277,500 for sound programs and $242,358 for film and television programs.

7. CARRY-OVER COMMITMENTS

Due to lead times required to obtain all the resources necessary to complete film, video and audio productions, the Corporation approves applications for funding which may not be disbursed until subsequent fiscal periods. Particulars of such approved funding in fiscal year 01/02 and prior years, which were not fully advanced as at March 31, 2002 are as follows:

	Year of Commitment				Total	
	01/02	00/01	99/00	98/99	2002	2001
Film						
Film development	19,290	6,573	1,343	-	27,206	39,440
Film production	1,166,906	26,654	1,904	650	1,196,114	184,643
Film and video marketing	-	-	-	-	-	1,350
Access to markets and festivals	1,071	-	-	-	1,071	-
Emerging talent matching	1,000	-	-	-	1,000	-
Discretionary film	-	-	943	-	943	4,418
	1,188,267	**33,227**	**4,190**	**650**	**1,226,334**	**229,851**
Sound						
Sound recording	52,000	1,250	2,500	-	55,750	45,124
Demo recording	7,184	-	-	-	7,184	11,667
Audio marketing	4,500	300	-	-	4,800	1,300
Sound touring	1,660	-	-	-	1,660	1,050
Music video production	1,000	-	-	-	1,000	400
Tour Manitoba	20,000	-	-	-	20,000	-
Professional development	1,378	99	-	-	1,477	4,227
	87,722	**1,649**	**2,500**	**-**	**91,871**	**63,768**
Total Commitments	**$1,275,989**	**$34,876**	**$6,690**	**$650**	**$1,318,205**	**$293,619**

8. LONG-TERM DEBT

Long-term debt reflects borrowings by Manitoba Film and Sound from the Province to fund Special Loans advanced. Special loans are secured by Notes Receivable which are detailed in Note 4.

	2002	2001
Term loan bearing interest at 6.0%, repaid during the year	-	34,937
Term loan bearing interest at 6.625%, interest payments due semi-annually and principal balance due June 1, 2002	150,000	150,000
Term loan bearing interest at 3.25%, interest payments due semi-annually and principal balance due August 1, 2003	32,500	-
Term loan bearing interest at 4.25%, interest payments due semi-annually and principal balance due September 13, 2003	21,288	-
Term loan bearing interest at 2.5%, interest payments due semi-annually and principal balance due January 30, 2003	23,391	-
Term loan bearing interest at 2.5%, interest payments due semi-annually and principal balance due January 30, 2003	56,329	-
Term loan bearing interest at 2.9%, interest payments due semi-annually and principal balance due February 20, 2003	9,598	-
	293,106	**184,937**
Less: current portion	239,318	-
	$ 53,788	**$184,937**

9. FORWARD COMMITMENTS

Due to the demand for funding of film, video and audio productions, the Corporation approves applications for funding which will not be disbursed until subsequent fiscal periods, contingent on future provincial funding.

Subsequent to year end, the Corporation was advised by the Province of Manitoba that it will receive a one-time grant of $1,100,000 to pay out forward commitments made during the year ended March 31, 2002 to film and television productions under the Film Manitoba Equity Investment Program. Both the commitments and one-time grant have been recorded in these financial statements.

As at March 31, 2002 the Corporation had no forward commitments.

10. NET ASSETS

	Invested in capital assets	Unrestricted	2002	2001
Balance, beginning of year	$ 84,517	$ 75,083	$ 159,600	$ 314,878
Excess (deficiency) of revenues over expenditures	(23,500)	32,891	9,391	(155,278)
Investment in capital assets	23,535	(23,535)	-	-
Balance, end of year	**$ 84,552**	**$ 84,439**	**$ 168,991**	**$ 159,600**

NOTES TO THE FINANCIAL STATEMENTS

11. LEASE COMMITMENTS

The Corporation has entered into various lease agreements with minimum annual payments as follows:

2003	55,208
2004	55,208
2005	2,094

12. RELATED PARTY TRANSACTIONS

The Corporation paid fees of $43,469 to a business in which one of the Corporation's board members is an owner. The transactions are at terms and conditions similar to those with an arms length party.

13. ECONOMIC DEPENDENCE

The Corporation's primary source of income is derived from the Province of Manitoba in the form of an operating grant.

14. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform with the current year's presentation.